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C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000581

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TAGS: [PREL](#) [PGOV](#) [HR](#) [SI](#) [ICTY](#) [ICJ](#)

SUBJECT: MEETING WITH PRIME MINISTER KOSOR

REF: STATE 96943

Classified By: James B. Foley, Ambassador for reasons 1.4 (b) & (d).

SUMMARY

¶1. (C) Summary: During a September 18 introductory courtesy call, Prime Minister Jadranka Kosor welcomed Ambassador Foley to Croatia, noting that bilateral relations were excellent and expressing thanks for U.S. support on Croatia's NATO accession and recent negotiations with Slovenia over a long-standing border dispute that led to a hold on Croatia's EU accession. Ambassador congratulated Kosor on Croatia's NATO membership and praised the "quiet diplomacy" that led to the successful outcome of the Slovenia/Croatia negotiations. Foley also addressed the need to strengthen business and economic ties with the U.S., noting that existing obstacles to investment must be overcome to assure economic growth. In addition, the Ambassador urged Kosor and her government to continue to satisfy ICTY Chief Prosecutor Brammertz that Croatia has done everything it can to locate key documents for use in ongoing war crimes trials in the Hague. Kosor also raised her government's desire to move forward on membership in the Visa Waiver Program, requested US support in improving economic cooperation between the two countries, and noted that she hoped Secretary Clinton would accept her invitation to visit Croatia. End Summary.

¶2. (C) Prime Minister Kosor welcomed Ambassador Foley to Croatia, noting that bilateral relations are excellent and expressing thanks for US support during Croatia's NATO accession process, mentioning Foley's confirmation hearing testimony in particular. She also thanked the Ambassador for the USG's support during the negotiation process between Slovenia and Croatia over a long-standing border dispute that led to a hold on Croatia's EU accession. Ambassador Foley, in turn, congratulated Kosor on Croatia's NATO membership, noting that the US is pleased to be Croatia's security partner. Praising the "quiet diplomacy" that led to the successful outcome of the Slovenia/Croatia negotiations, Ambassador Foley gave Kosor Secretary Clinton's congratulatory letter (REFTEL) to both Kosor and Slovene PM Pahor for their success (NOTE: Kosor's office released the text of the letter to the press immediately after the meeting. END NOTE.) Foley emphasized, however, that the hard work has just begun, and both sides will have to compromise. Croatia needs to be ready to accept some reference in the Agreement to Slovenia's contact or junction with international waters as a possible outcome, as long as this language does not pre-judge the outcome. Kosor responded by saying that now that NATO membership has been achieved, EU accession is Croatia's number one priority. She added that Croatia's EU membership would also send a very positive signal to the rest of the region, which is important for Croatia, the region and the EU.

¶3. (C) Referring to the current economic crisis in Croatia, Kosor asked for US help in increasing economic cooperation between the two countries. Foley said that deepening and strengthening business and economic ties between the two countries will be one of the primary objectives of his

mandate, and he will actively seek opportunities to do so. However, he noted that there are numerous "structural impediments" to doing business in Croatia--specifically, the lack of transparency in business practices and administrative and judicial inefficiencies. These obstacles must be addressed in order to assure Croatia's economic growth.

¶4. (C) In addition to economic reforms, Foley continued, Croatia must engage in serious judicial reform on the road to EU membership. In that regard, Foley urged Kosor and her government to do their utmost to satisfy ICTY Chief Prosecutor Brammertz that Croatia has exhausted every possibility in the effort to locate key documents for use in ongoing war crimes trials in the Hague. Kosor replied that they have done everything that they could to meet Brammertz's requirements, noting that three people are now on trial for their involvement in the disappearance of these documents. Moreover, she noted, it would be "silly" for Croatia to hide documents knowing full well that EU accession depended on Croatia's credibility in this regard. It was "in Croatia's best interest" to find them, she said.

¶5. (C) Kosor reiterated Croatia's desire for membership in the Visa Waiver Program, noting that her government has already put a lot of time, energy and money into the effort to make Croatia eligible. Foley responded by noting that every VWP MOU and agreement that has been negotiated between the USG and Croatia to date on the exchange of terrorist, criminal and lost and stolen passport information keeps both countries safe and secure, protects our mutual interests and builds confidence, so in that sense a great deal has already been accomplished. Adding that that the determining factor

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will be whether the current visa refusal rate drops below the required 3% rate, Foley promised that the Embassy will continue to work with the government to complete all of the technical requirements.
FOLEY